



CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana

Financial Statements

December 31, 2002

(With Independent Auditors' Report Thereon)

Under provisions of state law this report is a public document. A copy of this report has been submitted to the clerk and other appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date Jan 10, 2003



333 Third Street, Suite 1500
Bossier City, LA 71101-3883

Independent Auditors' Report

The Honorable Thomas Wilson, Jr., Judge
City Court of Bossier City, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the remaining fund information of the City Court of Bossier City, a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 2001. These financial statements are the responsibility of the City Court of Bossier City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the remaining fund information of the City Court of Bossier City as of December 31, 2001, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1 to the basic financial statements, the City Court of Bossier City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; *Amendments to Governmental Accounting Standards Board Statement No. 34, Certain Financial Statement Note Disclosures*; and Governmental Accounting Standards Board Interpretation No. 6, *Acquisition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements* in 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2002, on our consideration of the City Court of Bossier City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



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The management's discussion and analysis and budgetary comparison information on pages 3-5 and 11-12 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

March 21, 2003

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Management's Discussion and Analysis – Unaudited

December 31, 2001

We offer readers of the City Court of Bossier City's (the Court) financial statements this narrative overview and analysis of the financial activities of the Court for the fiscal year ended December 31, 2001.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1998. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Court has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to the Court's basic financial statements. The Court's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Court's finances, in a manner similar to a private-sector business.

- The Statement of Net Assets presents information on all of the Court's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.
- The Statement of Activities presents information showing how the Court's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to measure and demonstrate compliance with finance-related legal requirements. The Court is composed of a single governmental fund.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. For the Court, there are no differences between the fund financial statements and the government-wide financial statements.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Management's Discussion and Analysis – Unaudited
December 31, 2002

Financial Analysis of Government-wide Activities

Bossier City Court's Net Assets

December 31, 2002

	Governmental activities
Current and other assets	\$ 840,879
Current and other liabilities	<u>840</u>
Total net assets – unrestricted	<u>\$ 840,879</u>

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Court, assets exceed liabilities by \$840,879 at the close of the most recent fiscal year. Most of the Court's net assets totaling \$840,910 (93.8%) are in cash and cash equivalents. The Court has no debt outstanding. The balance of unrestricted net assets of \$840,879 is available to meet the Bossier City Court's ongoing obligations to citizens.

Governmental activities increased the Court's net assets by \$224,188, which was a 26.4% increase in the net assets. Key elements of this increase are as follows:

Bossier City Court's Changes in Net Assets

	Governmental activities
Revenues:	
Program revenues – charges for services	\$ 120,819
General revenues – interest income	<u>17,818</u>
Total revenues	138,637
Total expenses – public safety	<u>114,451</u>
Increase in net assets	24,188
Net assets at beginning of year	<u>616,692</u>
Net assets at end of year	<u>\$ 840,879</u>

Revenues were consistent with prior years. However, expenses were down from prior years due to less money spent on uniforms and travel.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Management's Discussion and Analysis – (Unaudited)
December 31, 2002

Financial Analysis of the Bossier City Court's Funds

Governmental Funds

The focus of the Court's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Court's financing requirements. In particular, unencumbered fund balance may serve as a useful measure of a Court's net resources available for spending at the end of the fiscal year.

As noted earlier, the Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and there are no differences between the government-wide activities financial statements and the fund financial statements. See financial analysis of government-wide activities.

General Fund Budgetary Highlights

Fund budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Court complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 49, Chapter 8, Louisiana Local Government Budget Act (LSA-R.S. 79:1301 et seq.).

The original budget for the Court was adopted on July 8, 2002. There were no amendments to the budget of the Court. No significant variances between the budget and actual results occurred in 2002.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for FY 2003 was prepared:

- That revenues would drop off because of lower interest rates.
- Our budget is 2% higher this year because of uniforms needed and anticipated general increases in prices on all purchases.

Requests for Information

This financial report is designed to provide a general overview of the Court's finances for all those with an interest in the Court's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Clerk of Court of the City Court of Bossier City, 620 Benson Road, Bossier City, LA 71111, or by calling (214) 741-4587.

CITY COUNT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Statement of Net Assets/Governmental Fund Balance Sheet
Governmental Activities
December 31, 2002

	Governmental Fund Balance Sheet	Adjustments	Statement of Net Assets
Assets:			
Cash	\$ 683,919	—	683,919
Investments	120,000	—	120,000
Accounts receivable	3,179	—	3,179
Due from agency fund	<u>31,639</u>	<u>—</u>	<u>31,639</u>
Total assets	<u>848,738</u>	<u>—</u>	<u>848,738</u>
Total liabilities – accounts payable	649	—	649
Fund Balance/Net Assets:			
Total fund balance – unrestricted –			
undesignated	<u>848,079</u>	<u>(848,079)</u>	<u>—</u>
Total liabilities and fund balance	<u>\$ 848,738</u>	<u>(848,079)</u>	<u>649</u>
Net assets – unrestricted		<u>\$ 848,079</u>	<u>848,079</u>

See accompanying notes to financial statements.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
**Statement of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances**
Year ended December 31, 2001

Expenditures/expenses – public safety	\$ 114,601
Program revenues – charges for services	<u>328,829</u>
Net program revenues/change in net assets	204,188
General revenues – interest income	<u>17,900</u>
Change in net assets	224,188
Fund balances/net assets, beginning of year	<u>615,962</u>
Fund balances/net assets, end of year	<u>\$ 840,000</u>

See accompanying notes to financial statements.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Statement of Fiduciary Assets and Liabilities -- Agency Funds
Year ended December 31, 2002

Assets	
Cash	\$ 176,328
Investments	120,868
	<u>296,328</u>
Liabilities	
Due to litigants	\$ 168,823
Due to other governmental entities	126,997
	<u>\$ 296,328</u>

See accompanying notes to financial statements.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana

Notes to Financial Statements

December 31, 2002

(1) Summary of Significant Accounting Policies

The City Court of Bossier City (the Court) was created by a special legislative act. Its jurisdiction includes the incorporated area of the City of Bossier City (the City). The City Judge is elected and cannot be removed by City officials. Court expenses such as payroll and related costs, maintenance, utilities, etc., are paid through the General Fund of the City. There are certain funds collected by the Court, pursuant to state statute, which are under the control of the Court and are reported in the accompanying financial statements. These financial statements account for all activities of the Court's office not funded by the City.

(a) Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is financially dependent on the primary government should be included in its reporting entity.

The Court is fiscally dependent on the City, and the City has the ability to modify or approve the budget for support costs of the Court that are paid by the City. The Court serves the citizens of the City. The Court's financial statements are included in the City's reporting entity as a discretely presented component unit because of the significance of its financial relationship with the City.

(b) Basis of Presentation – Fund Accounting

Government-wide and Fund Financial Statements

For the year ended December 31, 2002, the Court implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 33, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and *Governmental Accounting Standards Board Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Implementation of these new standards required a change in the reporting format, additional footnote disclosures, and the inclusion of a management's discussion and analysis as supplementary information. Implementation of these standards had no impact on the opening fund balance of the Court.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfundatory activities of the Court. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Notes to Financial Statements
December 31, 2002

Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. The Court consists of one program. Interest income, which is not program revenue, is reported as general revenue.

Governmental fund financial statements are provided for the Court. The Court consists of only one governmental fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Court considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Charges for services are measurable in accrual and are recognized when earned or when the underlying transaction occurs. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred and has matured.

At December 31, 2002, no differences existed between the government-wide financial statements and the governmental fund financial statements, other than the classification of fund balance and net assets. Therefore these statements were combined on the accompanying statements for presentation.

All items of capital assets used by the Court are recorded in the financial statements of the City.

Governmental Funds

The accounts of the Court are organized on the basis of fund accounting and are accounted for with a set of self-balancing accounts. The operations of the Court are incorporated into one governmental fund. Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through this fund. The Court reports the following governmental fund:

General Fund – The General Fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Court in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. In its agency funds, the Court accounts for the collection of fines due to other governmental agencies and the activities of the civil fund.

(c) Investments

Investments are stated at fair value.

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana

Notes to Financial Statements

December 31, 2002

(2) Cash and Investments

All cash deposits and investments of the Court are held by area financial institutions. At December 31, 2002, the carrying amount of the Court's deposits, including fiduciary funds, was \$1,202,239 and the bank balance was \$1,204,274. The difference is due to outstanding checks at December 31, 2002. All except \$990 of the bank balance was insured by the Federal Deposit Insurance Corporation or collateralized with securities held in the Court's name by the trust department of a bank other than the pledging bank at December 31, 2002.

Investments of \$248,080 at December 31, 2002 are comprised of various certificates of deposit purchased by the Court. State statutes authorize the Court to invest in United States bonds, treasury notes, government agencies' securities, certificates of deposit of state banks organized under the laws of Louisiana, and national banks having their principal office in the State of Louisiana, or mutual or trust fund institutions which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

(3) Legal Violations

For the year ended December 31, 2002, the Court did not comply with all applicable state laws for budgeting. The Court adopted a budget for the General Fund on July 8, 2002. State law requires the budget be adopted 15 days prior to the beginning of the fiscal year or December 16, 2001. State law also requires that the budget be published and available for public inspection. The budget for the General Fund was not published nor was the public notified as to how they may inspect the budget.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Governmental Funds – General Fund
Schedule of Revenues, Expenditures, and
and Changes in Fund Balance – Budget and Actual – (Unaudited)
Year ended December 31, 2002

		Actual	Original and Final Budget	Variance with final budget positive (negative)
Revenues:				
Fees and charges for services	\$	330,829	340,000	90,829
Interest income		17,818	—	17,818
Total revenues		<u>348,739</u>	<u>340,000</u>	<u>88,739</u>
Expenditures – current – general government:				
Travel, lodging, and meals		15,190	39,000	13,413
Supplemental salaries		65,430	67,694	2,124
Other operating		22,571	14,790	(8,781)
Total expenditures		<u>114,621</u>	<u>121,484</u>	<u>6,866</u>
Net change in fund balance		<u>234,188</u>	<u>218,513</u>	<u>155,993</u>
Fund balance, beginning of year		<u>613,983</u>	<u>613,982</u>	<u>—</u>
Fund balance, end of year	\$	<u><u>848,071</u></u>	<u><u>832,475</u></u>	<u><u>155,993</u></u>

(Unaudited – see accompanying independent auditor's report.)

CITY COURT OF BOSSIER CITY
A Component Unit of the City of Bossier City, Louisiana
Notes to Budgetary Comparison Schedule -- (Unaudited)
December 31, 2002

Budget and Budgetary Accounting

The Court utilizes formal budgetary integration as a management control device. The Court adopted a budget for the General Fund on July 8, 2002. The Court was not in compliance with state law that required the budget be adopted by December 16, 2001, nor did the Court comply with state law that requires the budget be published and available for public inspection.

The budget is structured such that revenues are budgeted by source, and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. The Court may revise or amend the budget at its discretion. Management may not amend the budget. No amendments to the budget were made and adopted by the Court during 2002.

The basis of accounting applied to budgetary data presented is substantially consistent with the basis of accounting for the Court. Appropriations that are not expended lapse at year-end.

Extent of Expenditures Over Budget

At the legal level of control, actual amounts did not exceed the budget.



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**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

**The Honorable Thomas Wilson, Jr., Judge
City Court of Bossier City, Louisiana**

We have audited the basic financial statements of the City Court of Bossier City (the Court), a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated March 21, 2005, which includes an explanatory paragraph due to changes in accounting principles in 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Court's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 62-1 and 62-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, which we have reported to management of the Court in a separate letter dated March 21, 2005.



This report is intended solely for the information and use of the judge, management, and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties.

KPMG LLP

March 21, 2005

CITY COURT OF BOSSIER CITY,
A Component Unit of the City of Bossier City, Louisiana
Schedule of Findings and Questioned Costs
Year ended December 31, 2002

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of report issued: unqualified opinion

Internal control over financial reporting:

- Material weaknesses identified? No
- Reportable conditions in internal control were disclosed by the audit of the financial statements? None reported

Noncompliance material to financial statements noted? No

Section 2 – Financial Statement Findings Reported in Accordance with Government Auditing Standards

Item **SI-1**

Criticism or specific requirement: R.S. 39:1123 requires that all funds of local governments have security pledged equal to one hundred percent of the amount of collected funds on deposit except that portion of deposits insured by the United States government.

Condition: The Court had bank balances of \$993 in excess of the market value of securities pledged and FDIC insurance.

Effect: A portion of the Court’s funds was under collateralized.

Cause: Unknown

Recommendation: The Court should implement procedures to monitor the amount of securities pledged on a monthly basis to ensure all funds are adequately collateralized.

Item **SI-2**

Criticism or specific requirement: The Louisiana Local Government Budget Act requires that the Court formally adopt a budget for its general fund. As part of the provisions, the Act requires the budget be accompanied by a budget message, signed by the proper officer describing such things as the financial plan, the budgetary basis, policies, assumptions, and objectives. Additionally, the budget is to be accompanied by a budget adoption instrument. The budget adoption instrument would consist of a letter from the Judge, authorizing the implementation of the adopted budget and the authority to management to make changes to the budget within various budget classifications without approval from the Judge. Also under the Act, the budget is required to be adopted and made available for public inspection no later than 15 days prior to the beginning of the fiscal year. In addition, state law requires that the budget and notification of how the public can inspect the budget be published.

CITY COURT OF BOSSIER CITY,
A Component Unit of the City of Bossier City, Louisiana
Schedule of Findings and Questioned Costs
Year ended December 31, 2002

Condition: The budget for the year ended December 31, 2002 was not accompanied by a budget message or a budget adoption instrument. The budget for the year ended December 31, 2002 should have been adopted by December 16, 2001. Instead the budget was adopted on July 8, 2002. The budget for 2002 was not published as required by state law.

Effect: Budget policies were not adhered to by the omission of the budget message and the budget adoption instrument. Budget controls were not in effect for the entire year nor was the public given the opportunity to participate in the budget process.

Cause: Unknown

Recommendation: The Court should take steps to adopt a budget in compliance with the Louisiana Local Government Budget Act. These steps should ensure the budget is adopted with a budget message and budget adoption instrument. In addition, these steps should ensure the budget is adopted within the time frame required by law and the budget is also published as required by law.



333 Texas Street, Suite 1800
Baton Rouge, LA 70801-0802

March 21, 2003

CONFIDENTIAL

The Honorable Thomas Wilson, Jr., Judge
City Court of Bossier City, Louisiana

We have audited the basic financial statements of the City Court of Bossier City, Louisiana (the Court), a component unit of the City of Bossier City, Louisiana, for the year ended December 31, 2002, and have issued our report thereon dated March 21, 2003, which includes an explanatory paragraph due to changes in accounting principles in 2002. In planning and performing our audit of the basic financial statements of the Court, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control as much as other operating efficiencies and are summarized as follows:

FINANCIAL REPORTING

The Court does not maintain its accounting records on a basis consistent with generally accepted accounting principles. Significant analysis, computation, and adjustment is necessary to compile the financials at year end for financial reporting. This effort largely consists of determining transfers among funds so that revenues and expenses are not "ground up" as well as proper classification of expenses. The Court's accounting records are not maintained on a general ledger system but rather are accounted for through computerized spreadsheets. We recommend the Court implement more formal accounting records and ensure that these records are maintained on a basis consistent with generally accepted accounting principles. This will provide management with more accurate financial information throughout the year as well as allow management to make accurate comparisons to budget to ensure compliance with budget laws.

Management's response – After assuming office as Judge of the City Court of Bossier City, Louisiana on January 1, 2003, I promptly contracted with a firm of certified public accountants to review the accounting and reporting system in effect as of December 31, 2002 for the purpose of determining weaknesses in internal control and financial reporting system and providing suggestions for improvement. With the advice and assistance of this firm, I have implemented several changes in accounting policies and procedures to improve the underlying accounting records and financial reporting of the City Court.



The Honorable Thomas Wilson, Jr., Judge
City Court of Bossier City, Louisiana
March 21, 2009
Page 2

In order to ensure the integrity of the accounting records and to ensure that the records are maintained in accordance with *Generally Accepted Accounting Principles*, I intend to contract with an accounting firm to provide management advisory services and monthly bookkeeping services, including the preparation of monthly comparisons of actual results to budget and the review of transactions to determine compliance with applicable laws and regulations.

CASH DEPOSITS

During our audit we noted that at times, cash receipts for the operating fund are maintained in the safe for up to eight days before being deposited. The Louisiana statute state that cash deposits should be made daily if practical. We recommend that the Court implement the practice of making daily deposits of cash collected.

Management's response – The City Court of Bossier City, Louisiana has begun making daily deposits of receipts. Compliance of the City Court with the provisions of Louisiana Revised Statute 28:1212 will be closely monitored and tested by the accounting firm providing monthly services.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. We also, however, to use our knowledge of the Court gained during our work to make comments and suggestions which we hope will be useful to you.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the Court during the course of our audit.

This report is intended solely for the information and use of the Judge, management, and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



CITY COURT

128 BERTON ROAD

BOSSIER CITY, LOUISIANA 70711

(504) 791-8888

THOMAS A. WILSON, JR.
JUDGE

JULIE B. ANDREWS
CLERK OF COURT

June 1, 2005

CORRECTIVE ACTION PLAN

Please accept the following as management's plan to correct the deficiencies related to compliance with laws and regulations noted during the audit of the financial statements of the City Court of Bossier City, Louisiana for the year ended December 31, 2003:

81-41 Collected Bank Balances in Excess of FDIC Insurance and Pledged Securities

The City Court of Bossier City, Louisiana will closely monitor the collected balances on deposit with financial institutions to ensure that the amounts do not exceed the total of available FDIC insurance coverage and the current fair market value of securities pledged by the related financial institutions as collateral for those deposits. All financial institutions with accounts on deposit totaling more than one hundred thousand dollars will be requested to provide the City Court monthly collateral pledge reports showing the fair market value of pledged securities.

The accounting firm providing monthly accounting services to the City Court of Bossier City, Louisiana will be instructed to independently verify the adequacy of FDIC insurance and collateral pledges each month and immediately report any possible deficiencies of pledged collateral.

81-1 Louisiana Local Budget Act

The City Court of Bossier City, Louisiana will adopt annual budgets in a timely manner in compliance with the provisions of Louisiana Revised Statute 28:1381. In accordance with Louisiana Revised Statute 28:1384, the annual budget will include a budget message, signed by the judge, which shall include a summary description of the proposed financial plan, policies and objectives, assumptions, budgetary basis, and a discussion of the most important features.

Upon completion of the proposed budget, a notice stating that the budget is available for public inspection and notifying the public where and when the budget may be inspected shall be published. The proposed budget will be made available for public inspection no later than fifteen (15) days prior to the beginning of the fiscal year in accordance with Louisiana Revised Statute 28:1387.

Monthly comparisons of actual results to budgeted amounts will be prepared and reviewed by management. Annual budgets will be amended as necessary to comply with Louisiana Revised Statutes 28:1389 and 28:1390.


Thomas Wilson, Jr., Judge
City Court of Bossier City, Louisiana

CITY COURT OF BOSSIER CITY

Summary Schedule of Prior Year Findings

Year Ended December 31, 2002

FINDINGS RELATED TO COMPLIANCE

81-1:

The Bossier City Court had collected bank balances of \$8,873 in excess of the total of the market value of securities pledged as collateral for the deposits and applicable FDIC insurance coverage.

Status:

As of December 31, 2002, a small amount of collected bank balances, \$992, was not secured by FDIC insurance or a collateral pledge of securities.

81-2:

The Court did not adopt a budget for the year ended December 31, 2001, as required by the Louisiana Local Government Budget Act.

Status:

The Bossier City Court adopted a budget for the General Fund for the year ended December 31, 2002 on July 8, 2002.